

# ISJIT

Iowa Schools Joint Investment Trust

## Annual Financial Report

June 30, 2015

Sponsored by:  
Iowa Association of School Boards



# Table of Contents

03	Statement from the Sponsoring Association
04	Message from the Chair
05	Board of Trustees and Service Providers
06	Membership Profile
08	Program Services and Features
09	Management's Discussion and Analysis
12	Independent Auditor's Report
14	Financial Statements
20	Notes to Financial Statements

# Statement from the Sponsoring Association



Since 1986, the Iowa Schools Joint Investment Trust (ISJIT) has focused on serving the cash management needs of school districts, community colleges, area education agencies and other eligible participants in a safe, effective and efficient manner. ISJIT is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals.

Short-term investors continue to face many challenges brought on by near-zero, short-term interest rates and challenging, credit markets.

This interest rate environment has translated to lower earnings rates available from all types of liquid cash investment vehicles, including ISJIT. The Fund's Portfolios continue to provide a competitive return with an emphasis on the preservation of principal and maintenance of suitable liquidity for all participants.

IASB is committed to assisting local school districts on their journey to excellence by freeing dollars in your budget that can be focused on student learning. ISJIT continues to grow and, with 402 authorized participants, has provided a much-needed investment option for Iowa schools.

As the Executive Director, I would like to thank this past year's ISJIT participants. I appreciate your continuing support as we strengthen the Iowa Association of School Boards and focus our efforts on serving Iowa's education community.

Sincerely,

A handwritten signature in cursive script that reads "Lisa A. Bartusek".

Lisa A. Bartusek  
Executive Director  
Iowa Association of School Boards

# Message from the Chair



The Iowa Schools Joint Investment Trust Board is pleased to present this Annual Financial Report for the period ending June 30, 2015. We are encouraged by our high level of participation and our high level of account balances. The ISJIT board thanks you for your loyal support over the past fiscal year.

I would like to acknowledge the tremendous sacrifices by all the partners we work with on ISJIT. This includes Bankers Trust Company (administrator, custodian, and fixed term provider), RBC Global Asset Management, (U.S.), Inc. (investment adviser), and PMA (marketer and fixed term provider). The partners continue to provide a high level of service to ISJIT's Participants, while they discount fees in this low interest rate environment. I take pride in knowing that ISJIT, in cooperation with our service partners, is doing all it can to maximize earnings for member districts, AEA's and community colleges.

ISJIT continues to partner with Brooks Lodden, P. C., as the auditor and Bob Jester of Jester Insurance Services for our insurance. Beth Grob, Ahlers Law Firm serves as our legal counsel.

Paul Kruse continues as our marketing agent and is the face of ISJIT to local business managers and superintendents.

Your comments and suggestions are always welcome and are a key element in the continual improvement of the ISJIT program. Please feel free to contact me or any other board member with your thoughts and ideas.

Together we can make ISJIT even better.

On behalf of the Board

A handwritten signature in cursive script that reads "Joan M. Corbin".

Joan Corbin  
Chair

# Board of Trustees & Service Providers

## **ISJIT Board of Trustees:**

**Joan Corbin, Trustee & Chair**  
Pella Community School District

**Keith Westercamp, Trustee & Vice Chair**  
Cedar Rapids Community School District

**Lisa Bartusek, Secretary & Executive Director**  
Iowa Association of School Boards

**Roger Shaffer, Trustee, Treasurer & Asst. Sec.**  
Sumner-Fredericksburg Community School District

**W. Edward Chabal, Trustee**  
Mt. Pleasant Community School District

**Jill Morrill, Trustee**  
Johnston Community School District

**Jeff Thelander, Trustee**  
Lawton-Bronson Community School District

## **ISJIT Service Providers:**

### **Investment Adviser**

RBC Global Asset Management (US) Inc.  
50 S. Sixth Street, Suite 2350  
Minneapolis, MN 55402

### **Administrator, Custodian, & Fixed Term Service Provider**

**\*term beginning 07/01/2015 Custodian only**

Bankers Trust Company  
453 7<sup>th</sup> Street, PO Box 897  
Des Moines, IA 50304-0897

### **Independent Auditor:**

Brooks Lodden, P.C.  
1441 29<sup>th</sup> Street, Suite 305  
West Des Moines, IA 50266

### **Legal Counsel:**

Beth Grob, Ahlers Law Firm  
Ahlers & Cooney; P.C.  
100 Court Ave Suite 600  
Des Moines, IA 50309

### **Fixed Term Service Provider**

PMA Financial Network Inc. – PMA Securities, Inc.

### **Marketing Agent:**

PMA Securities, Inc.

**\*term beginning 07/01/2015 includes Administrator**

PMA Financial Network, Inc.  
2135 CityGate Lane, 7th Floor  
Naperville, IL 60563

### **Sponsor:**

Iowa Association of School Boards  
6000 Grand Avenue  
Des Moines, IA 50312-1417

ISJIT Board of Trustees meets regularly to review the program's operation and to consider program operating enhancements that might be of assistance to ISJIT participants. Each of the six members of the board represents the interests of all ISJIT program members. Each Board member has served as a school board member, business manager, or administrator in his/her home district or Association for many years prior to their ISJIT service.

Together, the ISJIT Board provides an extensive network of experience and knowledge of participants' cash management needs to the program's ongoing operation. The diversity of experience and attention to detail by each member of the Board ensures that the program's history of helpful cash management assistance will continue to be available to ISJIT participants well into the future.

# Membership Profile

ADAIR-CASEY COMMUNITY SCHOOLS  
ADEL-DESOTO-MINBURN CSD  
AGWSR SCHOOLS DISTRICT  
A-H-S-T COMMUNITY SCHOOLS  
AKRON-WESTFIELD COMMUNITY SCHOOLS  
ALBERT CITY-TRUESDALE  
ALBIA COMMUNITY SCHOOLS  
ALBURNETT COMMUNITY SCHOOLS  
ALDEN COMMUNITY SCHOOLS  
ALGONA & TITONKA COMMUNITY SCHOOLS  
ALLAMAKEE COMMUNITY SCHOOLS  
ALTA COMMUNITY SCHOOLS  
AMES COMMUNITY SCHOOLS  
ANAMOSA COMMUNITY SCHOOLS  
ANDREW COMMUNITY SCHOOLS  
ANKENY COMMUNITY SCHOOLS  
APLINGTON-PARKERSBURG SD  
AR-WE-VA COMMUNITY SCHOOLS  
AREA EDUCATION AGENCY 267  
ATLANTIC COMMUNITY SCHOOLS  
AUDUBON COMMUNITY SCHOOLS  
AURELIA COMMUNITY SCHOOLS  
BALLARD COMMUNITY SCHOOLS  
BATTLE CREEK-IDA GROVE COMM SCHOOLS  
BAXTER COMMUNITY SCHOOLS  
BCLUW COMMUNITY SCHOOLS  
BEDFORD COMMUNITY SCHOOLS  
BELLE PLAINE COMMUNITY SCHOOLS  
BELLEVUE COMMUNITY SCHOOLS  
BELMOND-KLEMME COMM SCHOOLS  
BENNETT COMMUNITY SCHOOLS  
BENTON COMMUNITY SCHOOLS DISTRICT  
BETTENDORF COMMUNITY SCHOOLS  
BONDURANT-FARRAR COMM SCHOOLS  
BOONE COMMUNITY SCHOOLS  
BOYDEN-HULL COMMUNITY SCHOOLS  
BOYER VALLEY COMMUNITY SCHOOLS  
BROOKLYN-GUERNEY-MALCOM  
BURLINGTON COMMUNITY SCHOOLS  
CAL COMMUNITY SCHOOLS  
CALAMUS-WHEATLAND CSD  
CAM COMMUNITY SCHOOLS  
CAMANCHE COMMUNITY SCHOOLS  
CARDINAL COMMUNITY SCHOOLS  
CARLISLE COMMUNITY SCHOOLS  
CARROLL COMMUNITY SCHOOLS  
CEDAR FALLS COMMUNITY SCHOOLS  
CEDAR RAPIDS COMMUNITY SCHOOLS  
CENTER POINT-URBANA CSD  
CENTERVILLE COMMUNITY SCHOOLS  
CENTRAL CITY COMM SCHOOLS DIST  
CENTRAL CLINTON COMMUNITY SCHOOLS  
CENTRAL DECATUR COMMUNITY SCHOOLS  
CENTRAL DEWITT COMMUNITY SCHOOLS  
CENTRAL LEE COMMUNITY SCHOOLS  
CENTRAL LYON COMMUNITY SCHOOLS  
CENTRAL SPRINGS COMMUNITY SCHOOLS  
CHARITON COMMUNITY SCHOOLS  
CHARLES CITY COMMUNITY SCHOOLS  
CHARTER OAK-UTE COMMUNITY SCHOOLS  
CHEROKEE COMMUNITY SCHOOLS  
CLARINDA COMMUNITY SCHOOLS  
CLARION-GOLDFIELD-DOWS COMM SCHOOLS  
CLARKE COMMUNITY SCHOOLS  
CLARKSVILLE COMMUNITY SCHOOLS  
CLAY CENTRAL/EVERLY CSD  
CLAYTON RIDGE COMMUNITY SCHOOLS  
CLEAR CREEK-AMANA CSD  
CLEAR LAKE COMMUNITY SCHOOLS  
CLEARFIELD COMMUNITY SCHOOLS  
CLINTON COMMUNITY SCHOOLS  
COLFAX-MINGO COMMUNITY SCHOOLS  
COLLEGE COMMUNITY SCHOOLS  
COLLINS-MAXWELL COMMUNITY SCHOOLS  
COLO-NESCO COMMUNITY SCHOOLS  
COLUMBUS COMMUNITY SCHOOLS  
COMMUNITY FIRST STATE BANK  
COON RAPIDS-BAYARD CSD  
CORNING COMMUNITY SCHOOLS  
COUNCIL BLUFFS COMMUNITY SCHOOLS  
CRESTON COMMUNITY SCHOOLS  
DALLAS CENTER-GRIMES CSD  
DANVILLE COMMUNITY SCHOOLS  
DAVENPORT COMMUNITY SCHOOLS  
DAVIS COUNTY COMMUNITY SCHOOLS  
DECORAH COMMUNITY SCHOOLS  
DELWOOD COMMUNITY SCHOOLS  
DENISON COMMUNITY SCHOOLS  
DENVER COMMUNITY SCHOOLS  
DES MOINES AREA COMMUNITY COLLEGE  
DES MOINES INDEPENDENT SCHOOLS  
DIAGONAL COMMUNITY SCHOOLS  
DIKE-NEW HARTFORD CSD  
DUBUQUE COMMUNITY SCHOOLS  
DUNKERTON COMMUNITY SCHOOLS  
DURANT COMMUNITY SCHOOLS  
EAGLE GROVE COMMUNITY SCHOOLS  
EARLHAM COMMUNITY SCHOOLS  
EAST BUCHANAN COMMUNITY SCHOOLS  
EAST GREENE COMMUNITY SCHOOLS  
EAST MARSHALL COMMUNITY SCHOOLS  
EAST MILLS COMMUNITY SCHOOLS  
EAST SAC COUNTY COMMUNITY SCHOOLS  
EAST UNION COMMUNITY SCHOOLS  
EASTERN ALLAMAKEE CSD  
EASTON VALLEY COMMUNITY SCHOOLS  
EDDYVILLE-BLAKESBURG-FREMONT CSD  
EDGEWOOD-COLESBURG CSD  
ELDORA NEW PROVIDENCE CSD  
EMMETSBURG COMMUNITY SCHOOLS  
ENGLISH VALLEYS CSD  
ESSEX COMMUNITY SCHOOLS  
ESTHERVILLE LINCOLN CENTRAL CSD  
EXIRA COMMUNITY SCHOOLS  
FAIRFIELD COMMUNITY SCHOOLS  
FARRAGUT COMMUNITY SCHOOLS  
FOREST CITY COMMUNITY SCHOOLS  
FORT DODGE COMMUNITY SCHOOLS  
FORT MADISON COMMUNITY SCHOOLS  
FREMONT-MILLS COMMUNITY SCHOOLS  
GALVA-HOLSTEIN COMMUNITY SCHOOLS  
GARNER-HAYFIELD-VENTURA COMMUNITY SCHOOLS  
GEORGE-LITTLE ROCK CSD  
GILBERT COMMUNITY SCHOOLS  
GILMORE CITY-BRADGATE CSD  
GLADBROOK-REINBECK COMMUNITY  
GLENWOOD COMMUNITY SCHOOLS  
GLIDDEN-RALSTON COMMUNITY SCHOOLS  
GMG COMMUNITY SCHOOLS  
GRAETTINGER-TERRIL COMMUNITY SCHOOLS  
GRANT WOOD AEA  
GRANT WOOD AEA TRUSTEE  
GREAT PRAIRIE AEA  
GREEN COUNTY COMMUNITY SCHOOLS  
GREEN HILLS AEA  
GRINNELL-NEWBURG COMM SCHOOLS  
GRISWOLD COMMUNITY SCHOOLS  
GRUNDY CENTER COMMUNITY SCHOOLS  
GUTHRIE CENTER COMM SCHOOLS  
HAMBURG COMMUNITY SCHOOLS  
HAMPTON-DUMONT CSD  
HARLAN COMMUNITY SCHOOLS  
HARRIS-LAKE PARK COMMUNITY SCHOOLS  
HARMONY COMMUNITY SCHOOLS  
HARTLEY-MELVIN-SANBORN CSD  
HEARTLAND AEA  
HIGHLAND COMMUNITY SCHOOLS  
HINTON COMMUNITY SCHOOLS  
H-L-V COMMUNITY SCHOOLS  
HOWARD-WINNESHEIK CSD  
HUBBARD-RADCLIFFE CSD  
HUDSON COMMUNITY SCHOOLS  
HUMBOLDT COMM SCHOOLS  
IKM-MANNING COMMUNITY SCHOOLS  
INDEPENDENCE COMMUNITY SCHOOLS  
INDIAN HILLS CC CORPORATION  
INDIAN HILLS CC FOUNDATION  
INDIAN HILLS CC TRUST  
INDIAN HILLS COMMUNITY COLLEGE  
INDIANOLA COMMUNITY SCHOOLS  
INTERSTATE 35 COMMUNITY SCHOOLS  
IOWA CITY COMMUNITY SCHOOLS  
IOWA FALLS COMMUNITY SCHOOLS  
IOWA LAKES COMMUNITY COLLEGE  
IOWA LAKES COMMUNITY COLLEGE TR  
IOWA SCHOOLS EMPLOYEE BENEFITS  
IOWA VALLEY COMMUNITY COLLEGE  
IOWA VALLEY COMMUNITY SCHOOLS  
IOWA WESTERN COMMUNITY COLLEGE  
JANESVILLE CONSOLIDATED SCHOOLS  
JEFFERSON-SCRANTON CSD  
JESUP COMMUNITY SCHOOLS DISTRICT  
JOHNSTON COMMUNITY SCHOOLS  
KEOKUK COMMUNITY SCHOOLS  
KEOTA COMMUNITY SCHOOLS  
KEYSTONE AEA 1  
KINGSLEY-PIERSON COMMUNITY  
KIRKWOOD COMMUNITY COLLEGE  
KIRKWOOD COMMUNITY COLLEGE TRUST  
KNOXVILLE COMMUNITY SCHOOLS

# Membership Profile (continued)

LAKE MILLS CSD  
LAMONI COMMUNITY SCHOOLS  
LAURENS-MARATHON CSD  
LAWTON-BRONSON COMMUNITY SCHOOLS  
LE MARS COMMUNITY SCHOOLS  
LENOX COMMUNITY SCHOOLS  
LEWIS CENTRAL COMMUNITY SCHOOLS  
LINN-MAR COMMUNITY SCHOOLS  
LISBON COMMUNITY SCHOOLS  
LOGAN-MAGNOLIA COMMUNITY SCHOOLS  
LONE TREE COMMUNITY SCHOOLS  
LOUISA-MUSCATINE CSD  
LUVERNE COMMUNITY SCHOOLS  
LYNNVILLE-SULLY COMMUNITY SCHOOLS  
MADRID COMMUNITY SCHOOLS  
MANSON NORTHWEST WEBSTER CSD  
MAPLE VALLEY-ANTHON OTO CSD  
MAQUOKETA COMMUNITY SCHOOLS  
MAQUOKETA VALLEY CSD  
MARION INDEPENDENT SCHOOLS  
MARSHALLTOWN COMMUNITY SCHOOLS  
MARTENSDALE-ST MARYS CSD  
MASON CITY COMMUNITY SCHOOLS  
MEDIAPOLIS COMMUNITY SCHOOLS  
MELCHER-DALLAS COMMUNITY SCHOOLS  
MFL MARMAC COMMUNITY SCHOOLS  
MIDLAND COMMUNITY SCHOOLS  
MID-PRAIRIE COMMUNITY SCHOOLS  
MISSISSIPPI BEND AEA  
MISSOURI VALLEY COMMUNITY SCHOOLS  
MOC-FLOYD VALLEY CSD  
MONTEZUMA COMMUNITY SCHOOLS  
MONTICELLO COMMUNITY SCHOOLS  
MORAVIA COMMUNITY SCHOOLS  
MORMON TRAIL COMMUNITY SCHOOLS  
MORNING SUN COMM SCHOOLS  
MOULTON-UDELL COMMUNITY SCHOOLS  
MOUNT AYR COMMUNITY SCHOOLS  
MOUNT PLEASANT COMMUNITY SCHOOLS  
MOUNT VERNON COMMUNITY SCHOOLS  
MURRAY COMMUNITY SCHOOLS  
MUSCATINE COMMUNITY SCHOOLS  
NASHUA-PLAINFIELD CSD  
NEVADA COMMUNITY SCHOOLS  
NEW HAMPTON COMMUNITY SCHOOLS  
NEW LONDON COMMUNITY SCHOOLS  
NEWELL-FONDA COMMUNITY SCHOOLS  
NEWTON COMMUNITY SCHOOLS  
NODAWAY VALLEY COMMUNITY SCHOOLS  
NORTH BUTLER COMMUNITY SCHOOLS  
NORTH CEDAR CSD  
NORTH FAYETTE COMMUNITY SCHOOLS  
NORTH IOWA COMMUNITY SCHOOLS  
NORTH KOSSUTH COMMUNITY SCHOOLS  
NORTH LINN COMMUNITY SCHOOLS  
NORTH MAHASKA COMMUNITY SCHOOLS  
NORTH POLK COMMUNITY SCHOOLS  
NORTH SCOTT COMMUNITY SCHOOLS  
NORTH TAMA COUNTY COMMUNITY SD  
NORTH UNION COMMUNITY SCHOOLS  
NORTH WINNESHIEK COMM SCHOOLS  
NORTHEAST COMMUNITY SCHOOLS  
NORTHEAST HAMILTON CSD  
NORTHEAST IOWA COMMUNITY COLLEGE  
NORTHWEST COMMUNITY COLLEGE TR  
NORTHWEST IOWA COMMUNITY COLLEGE  
NORTHWOOD-KENSETT CSD  
NORWALK COMMUNITY SCHOOLS  
ODEBOLT-ARTHUR COMMUNITY SCHOOLS  
OELWEIN COMMUNITY SCHOOLS  
OGDEN COMMUNITY SCHOOLS  
OKOBOJI COMMUNITY SCHOOLS  
OLIN CONSOLIDATED SCHOOLS  
ORIENT-MACKSBURG COMM SCHOOLS  
OSAGE COMMUNITY SCHOOLS DISTRICT  
OSKALOOSA COMMUNITY SCHOOLS  
OTTUMWA COMMUNITY SCHOOLS  
PANORAMA COMMUNITY SCHOOLS  
PCM COMMUNITY SCHOOLS  
PEKIN COMMUNITY SCHOOLS  
PELLA COMMUNITY SCHOOLS  
PERRY COMMUNITY SCHOOLS  
PLEASANT VALLEY COMMUNITY SCHOOLS  
PLEASANTVILLE COMMUNITY SCHOOLS  
POCAHONTAS AREA COMM SCHOOLS  
POSTVILLE COMMUNITY SCHOOLS  
PRAIRE LAKES AEA  
PRAIRIE VALLEY COMMUNITY SCHOOLS  
PRESCOTT COMMUNITY SCHOOLS  
RED OAK COMMUNITY SCHOOLS  
RIVER VALLEY COMMUNITY SCHOOLS  
RIVERSIDE COMMUNITY SCHOOLS  
ROCK VALLEY COMMUNITY SCHOOLS  
ROLAND-STORY CSD  
RUDD-ROCKFORD-MARBLE ROCK CSD  
SAYDEL COMMUNITY SCHOOLS  
SERGEANT BLUFF-LUTON CSD  
SEYMOUR COMMUNITY SCHOOLS  
SHELDON COMMUNITY SCHOOLS  
SHENANDOAH COMMUNITY SCHOOLS  
SIBLEY-OCHEYEDAN CSD  
SIDNEY COMMUNITY SCHOOLS  
SIGOURNEY COMMUNITY SCHOOLS  
SIOUX CENTER COMMUNITY SCHOOLS  
SIOUX CENTRAL CSD  
SIOUX CITY COMMUNITY SCHOOLS  
SOLON COMMUNITY SCHOOLS  
SOUTH CENTRAL CALHOUN COMMUNITY  
SOUTH HAMILTON COMMUNITY SCHOOLS  
SOUTH O'BRIEN COMM SCHOOLS DIST  
SOUTH PAGE COMMUNITY SCHOOLS  
SOUTH TAMA COUNTY CSD  
SOUTH WINNESHIEK COMMUNITY  
SOUTHEAST IOWA SCHOOLS HEALTH  
SOUTHEAST POLK COMMUNITY SCHOOLS  
SOUTHEAST WARREN COMMUNITY  
SOUTHEAST WEBSTER-GRAND  
SOUTHEASTERN COMM COLLEGE TRUST  
SOUTHEASTERN COMMUNITY COLLEGE  
SPENCER COMMUNITY SCHOOLS  
SPIRIT LAKE COMMUNITY SCHOOLS  
SPRINGVILLE COMMUNITY SCHOOLS  
ST ANSGAR COMMUNITY SCHOOLS  
STANTON COMMUNITY SCHOOLS  
STARMONT COMMUNITY SCHOOLS  
STORM LAKE COMMUNITY SCHOOLS  
STRATFORD COMMUNITY SCHOOLS  
SUMNER FREDERICKSBURG COMMUNITY  
TIPTON COMMUNITY SCHOOLS  
TREYNOR COMMUNITY SCHOOLS  
TRI-CENTER COMMUNITY SCHOOLS  
TRI-COUNTY COMMUNITY SCHOOLS  
TRIPOLI COMMUNITY SCHOOLS  
TURKEY VALLEY COMMUNITY SCHOOLS  
TWIN CEDARS COMMUNITY SCHOOLS  
UNDERWOOD COMMUNITY SCHOOLS  
UNION COMMUNITY SCHOOLS  
UNITED COMMUNITY SCHOOLS  
URBANDALE COMMUNITY SCHOOLS  
VALLEY COMMUNITY SCHOOLS  
VAN BUREN COMMUNITY SCHOOLS  
VAN METER COMMUNITY SCHOOLS  
VILLISCA COMMUNITY SCHOOLS  
WACO COMMUNITY SCHOOLS  
WALNUT COMMUNITY SCHOOLS  
WAPELLO COMMUNITY SCHOOLS  
WAPSIE VALLEY COMMUNITY SCHOOLS  
WASHINGTON COMMUNITY SCHOOLS  
WATERLOO COMMUNITY SCHOOLS  
WAUKEE COMMUNITY SCHOOLS  
WAVERLY-SHELL ROCK COMMUNITY SCHOOLS  
WAYNE COMMUNITY SCHOOLS  
WEBSTER CITY COMMUNITY SCHOOLS  
WEST BEND-MALLARD CSD  
WEST BRANCH COMMUNITY SCHOOLS  
WEST BURLINGTON COMMUNITY SCHOOLS  
WEST CENTRAL COMMUNITY SCHOOLS  
WEST CENTRAL VALLEY CSD  
WEST DELAWARE COMMUNITY SCHOOLS  
WEST DES MOINES COMMUNITY SCHOOLS  
WEST FORK COMMUNITY SD  
WEST HANCOCK COMMUNITY SCHOOLS  
WEST HARRISON COMMUNITY SCHOOLS  
WEST LIBERTY COMMUNITY SCHOOLS  
WEST LYON COMMUNITY SCHOOLS  
WEST MARSHALL COMMUNITY SCHOOLS  
WEST MONONA COMMUNITY SCHOOLS  
WEST SIOUX COMMUNITY SCHOOLS  
WESTERN DUBUQUE COMMUNITY SCHOOLS  
WESTERN IOWA TECH COMM COLLEGE  
WESTWOOD COMMUNITY SCHOOLS  
WHITING COMMUNITY SCHOOLS  
WILLIAMSBURG COMMUNITY SCHOOLS  
WILTON COMMUNITY SCHOOLS  
WINFIELD-MT UNION COMM SCHOOLS  
WINTERSSET COMMUNITY SCHOOLS  
WODEN-CRYSTAL LAKE COMMUNITY SCHOOLS  
WOODBURY CENTRAL COMM SCHOOLS  
WOODWARD-GRANGER COMM SCHOOLS

# Program Services & Features

- ISJIT is sponsored by the Iowa Association of School Boards (IASB). IASB's management team meets regularly with the program's service providers to monitor all elements of program operation.
- Unique internet-based reporting system, *ISJIT Online*, provides participants with real-time account inquiry and transaction capabilities via the internet. Participants may invest or withdraw funds, verify account balances or transaction histories, and direct inquiries to any ISJIT service provider with this unique service.
- Provides daily liquid investment alternative: The Diversified portfolio is tailored to meet specific participant investment needs, and has been structured to produce yields that compare favorably to yields available in other liquid account structures and fixed-term investments with limited liquidity.
- Provides toll-free telephone access to experienced ISJIT representatives who can personally assist with any investment-related inquiry or request.
- Invests available funds with Iowa financial institutions, offering competitive rates of interest, whenever possible.
- Through its Fixed Term Automated Program, ISJIT offers participants the opportunity to purchase certificates of deposit from Iowa financial institutions and other securities that are permitted for investment by school corporations under Iowa law. Within the Fixed Term Program, the Bond Proceeds Management Program offers the perfect investment capability for bond proceeds.

The St. Ansgar School District chose to use the ISJIT Fixed Term Program to invest their bond proceeds for their new Elementary School/High School Gym Project as it was an easy and convenient way to invest the funds. ISJIT worked with our local banks, as well as getting bids from banks across the state, to insure the district received the best interest rates while maintaining easy access to the funds to pay the construction bills each month. ISJIT is a wonderful program that provides exceptional service to school districts.

St. Ansgar Elementary School Building



FEH Associates Inc.

# Management's Discussion & Analysis

This section of the ISJIT Annual Report presents management's discussion and analysis of the financial position and results of operations for the fiscal years ended June 30, 2015 (FY 2015) and June 30, 2014 (FY 2014). This information is being presented to provide additional information regarding the activities of ISJIT. This discussion and analysis should be read in conjunction with the Independent Auditor's Report of Brooks Lodden P.C., the Financial Statements, and the accompanying notes.

ISJIT is primarily responsible for providing proactive cash management practices and responsiveness to the unique needs of school corporations across Iowa. ISJIT is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29 of the Iowa Code, as amended, which authorizes Iowa schools to jointly invest money pursuant to a joint investment agreement. ISJIT currently operates the Diversified Portfolio. The Diversified Plus and Direct Government Obligation Portfolios suspended operations on January 8, 2009 and October 27, 2010, respectively, due to economic factors and are closed to new investments. ISJIT management expects the Diversified Plus and DGO Portfolios will remain closed to new investment for the foreseeable future, but the ISJIT Board has retained the right to reactivate the portfolios in the future. The objective of the portfolios is to maintain safety of principal and a high degree of liquidity through investment in short-term securities as permitted for Iowa schools under Iowa law. Activities of the Diversified Portfolio are described in the Management's Discussion and Analysis and accompanying financial statements and notes to financial statements.

## **Overview of the Financial Statements**

The Management's Discussion and Analysis provides an introduction to and overview of the financial statements of ISJIT's Administration Fund and Diversified Portfolio. The following components comprise the financial statements for the Administration Fund: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets, and 3) Notes to Financial Statements. The following components comprise the financial statements for the Diversified Portfolio: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets, 3) Schedule of Investments for FY 2015, and 4) Notes to Financial Statements. The Statement of Net Assets displays the financial position (assets and liabilities) of the funds as of June 30, 2015 and 2014. The Statement of Changes in Net Assets displays the results of operations (income and expenses) and participant/unitholder activity (sales and redemptions) for each of the two most recent fiscal years. The Schedule of Investments lists each security held by the Diversified Portfolio as of June 30, 2015. The Notes to Financial Statements describe significant accounting policies of ISJIT and other supplemental information.

# Management's Discussion & Analysis

(continued)

## Condensed Financial Information and Financial Analysis

Year-to-year variances in most financial statement amounts reported in ISJIT's Administrative Fund and Diversified Portfolio are caused by a single variable – the level of average net assets (which fluctuates based on the overall levels of participant/unitholder invested balances). Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned.

Condensed financial information and variance explanations for each portfolio for FY 2015 and FY 2014 follows:

### Administration Fund:

Condensed information for the Fund through each period ended June 30:	2015	2014	Percentage Change
Assets	\$ 96,105	\$ 33,060	190.70%
Liabilities	\$ 881	\$ 16,009	-94.50%
Net Assets	\$ 95,224	\$ 17,051	458.47%
Income	\$ 142,405	\$ 63,702	123.55%
Expenses	\$ 64,232	\$ 52,990	21.22%

### Diversified Portfolio:

Condensed information for the Portfolio through each period ended June 30:	2015	2014	Percentage Change
Assets	\$ 401,338,561	\$ 416,682,129	-3.68%
Liabilities	\$ 51,938	\$ 941,436	-94.48%
Net Assets	\$ 401,286,623	\$ 415,740,693	-3.47%
Average Net Assets	\$ 408,513,658	\$ 442,767,735	-7.74%
Investment Income	\$ 490,439	\$ 485,007	1.12%
Total Expenses	\$ 470,098	\$ 462,787	1.58%
Net Investment Income	\$ 20,341	\$ 22,220	-8.46%
Units Sold (\$1 per unit)	1,450,174,350	1,517,512,607	-4.44%
Units Redeemed (\$1 per unit)	1,464,648,761	1,571,588,911	-6.80%
Total Return	0.122%	0.120%	
Ratio of Expenses to Average Net Assets	0.115%	0.105%	
Ratio of Net Investment Income to Average Net Assets	0.115%	0.005%	
Net Asset Value per Unit, Beginning of Period	\$ 1.000	\$ 1.000	
Net Investment Income per Unit	0.000	0.000	
Dividends Distributed per Unit	(0.00005)	(0.00019)	
Net Asset Value per Unit, End of Period	\$ 1.000	\$ 1.000	

# Management's Discussion & Analysis

(continued)

## Condensed Financial Information and Financial Analysis (Continued)

The net assets for the Administration Fund increased 458.47 percent to \$95,224 FY 2015 from \$17,051 FY 2014. The increase in net assets for the Administration Fund was a result of the income received from the Diversified Portfolio exceeding the current year expenses of the Administration Fund.

During FY 2015, the average net assets for the Diversified Portfolio decreased 7.74 percent to \$408,513,658 from average net assets of \$442,767,735 during FY 2014 as a result of withdrawals by the Participants in the Portfolio.

Net investment income decreased 8.46 percent in the Diversified Portfolio during FY 2015 compared to FY 2014 due to increase in expenses accumulated throughout FY 2015.

Expenses of the Portfolio are calculated on the daily net asset totals. Total expenses increased in the Diversified Portfolio during FY 2015 by 1.58 percent due to increases in investment income.

# Independent Auditor's Report



Telford A. Lodden, CPA, CFP®,  
CFF, CVA, ABV, Shareholder  
Bruce W. Hartley, CPA, Shareholder  
John E. Lamale, CPA, Shareholder  
Brent L. Alexander, CPA, Shareholder

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Unitholders  
Iowa Schools Joint Investment Trust

### Report on the Financial Statements

We have audited the accompanying financial statements of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund and the Diversified Portfolio, which comprise the statements of net assets as of June 30, 2015 and 2014, and the related statements of changes in net assets for the years then ended, and the related notes to the financial statements. We have also audited the accompanying schedule of investments of the Diversified Portfolio for the year ended June 30, 2015.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

# Independent Auditor's Report

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the ISJIT Administration Fund and the Diversified Portfolio as of June 30, 2015 and 2014, and the respective changes in net assets for the years ended June 30, 2015 and 2014, and the schedule of investments as of June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 9 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 17, 2015, on our consideration of ISJIT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ISJIT's internal control over financial reporting and compliance.

*Brooks Ladd, P.C.*

West Des Moines, Iowa  
September 17, 2015

# Financial Statements

**Iowa Schools Joint Investment Trust**  
**Statement of Net Assets**  
**June 30, 2015**

	<u>ADMINISTRATION FUND</u>	<u>DIVERSIFIED PORTFOLIO</u>	<u>TOTAL</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 82,658	\$ 1,000,809	\$ 1,083,467
Interest Receivable	-	610,517	610,517
Accounts Receivable	13,447	-	13,447
Investments (amortized cost):			
Securities Purchased Under Agreement to Resell	-	30,747,000	30,747,000
Certificates of Deposit	-	735,000	735,000
Commercial Paper	-	36,965,729	36,965,729
U.S. Government Agency Obligations	-	331,279,506	331,279,506
 Total Assets	 <u>96,105</u>	 <u>401,338,561</u>	 <u>401,434,666</u>
<b>Liabilities</b>			
Unissued Units	-	34	34
Accounts Payable	881	-	881
Administration Fee	-	8,474	8,474
Investment Advisory Fee	-	7,822	7,822
Marketing Fee	-	9,125	9,125
Custodian Fee	-	2,607	2,607
Sponsorship Fee	-	10,429	10,429
Administration Fund Fee	-	13,447	13,447
 Total Liabilities	 <u>881</u>	 <u>51,938</u>	 <u>52,819</u>
 Net Assets Held in Trust for Participants	 <u>\$ 95,224</u>	 <u>\$ 401,286,623</u>	 <u>\$ 401,381,847</u>

**See accompanying notes to financial statements.**

# Financial Statements (Continued)

**Iowa Schools Joint Investment Trust  
Statement of Changes in Net Assets  
For the year Ended June 30, 2015**

	<u>ADMINISTRATION FUND</u>	<u>DIVERSIFIED PORTFOLIO</u>	<u>TOTAL</u>
Investment Income:			
Interest	\$ 19	\$ 490,439	\$ 490,458
Investment Expenses:			
Investment Advisory Fees	-	72,208	72,208
Administrative Fees	-	66,653	66,653
Marketing Fees	-	77,762	77,762
Custodian Fees	-	22,218	22,218
Administration Fund Fees	-	142,386	142,386
Sponsorship Fees	-	88,871	88,871
Professional Fees	47,359	-	47,359
Rating Service Fees	10,000	-	10,000
Other Fees and Expenses	6,873	-	6,873
Total Investment Expenses	<u>64,232</u>	<u>470,098</u>	<u>534,330</u>
Net Investment Income	(64,213)	20,341	(43,872)
Other Income	<u>142,386</u>	<u>-</u>	<u>142,386</u>
Net (Decrease) Increase in Net Assets Before Unit Transactions	78,173	20,341	98,514
Units sold	-	1,450,174,350	1,450,174,350
Units redeemed	<u>-</u>	<u>(1,464,648,761)</u>	<u>(1,464,648,761)</u>
Net (Decrease) Increase in Net Assets	78,173	(14,454,070)	(14,375,897)
Net Assets at Beginning of Period	<u>17,051</u>	<u>415,740,693</u>	<u>415,757,744</u>
Net Assets at End of Period	<u>\$ 95,224</u>	<u>\$ 401,286,623</u>	<u>\$ 401,381,847</u>

See accompanying notes to financial statements.

# Financial Statements (Continued)

**Iowa Schools Joint Investment Trust**  
**Statement of Net Assets**  
**June 30, 2014**

	<u>ADMINISTRATION FUND</u>	<u>DIVERSIFIED PORTFOLIO</u>	<u>TOTAL</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 19,198	\$ 1,900,031	\$ 1,919,229
Interest Receivable	-	1,430,500	1,430,500
Accounts Receivable	13,862	-	13,862
Investments (amortized cost):			
Securities Purchased Under Agreement to Resell	-	4,000	4,000
Certificates of Deposit	-	980,000	980,000
Commercial Paper	-	39,984,167	39,984,167
U.S. Government Agency Obligations	-	372,383,431	372,383,431
Total Assets	<u>33,060</u>	<u>416,682,129</u>	<u>416,715,189</u>
<b>Liabilities</b>			
Unissued Units	-	899,507	899,507
Accounts Payable	16,009	-	16,009
Administration Fee	-	6,184	6,184
Investment Advisory Fee	-	5,709	5,709
Marketing Fee	-	6,660	6,660
Custodian Fee	-	1,903	1,903
Sponsorship Fee	-	7,611	7,611
Administration Fund Fee	-	13,862	13,862
Total Liabilities	<u>16,009</u>	<u>941,436</u>	<u>957,445</u>
Net Assets Held in Trust for Participants	<u>\$ 17,051</u>	<u>\$ 415,740,693</u>	<u>\$ 415,757,744</u>

**See accompanying notes to financial statements.**

# Financial Statements (Continued)

**Iowa Schools Joint Investment Trust  
Statement of Changes in Net Assets  
For the year Ended June 30, 2014**

	<u>ADMINISTRATION FUND</u>	<u>DIVERSIFIED PORTFOLIO</u>	<u>TOTAL</u>
Investment Income:			
Interest	\$ 6	\$ 485,007	\$ 485,013
Investment Expenses:			
Investment Advisory Fees	-	81,171	81,171
Administrative Fees	-	87,935	87,935
Marketing Fees	-	94,700	94,700
Custodian Fees	-	27,057	27,057
Sponsorship Fees	-	108,228	108,228
Administration Fund Fees	-	63,696	63,696
Professional Fees	34,737	-	34,737
Rating Service Fees	9,500	-	9,500
Other Fees and Expenses	8,753	-	8,753
	<u>52,990</u>	<u>462,787</u>	<u>515,777</u>
Total Investment Expenses			
Net Investment Income	(52,984)	22,220	(30,764)
Other Income	<u>63,696</u>	<u>-</u>	<u>63,696</u>
Net (Decrease) Increase in Net Assets			
Before Unit Transactions	10,712	22,220	32,932
Units sold	-	1,517,512,607	1,517,512,607
Units redeemed	-	<u>(1,571,588,911)</u>	<u>(1,571,588,911)</u>
Net (Decrease) Increase in Net Assets	10,712	(54,054,084)	(54,043,372)
Net Assets at Beginning of Period	<u>6,339</u>	<u>469,794,777</u>	<u>469,801,116</u>
Net Assets at End of Period	<u>\$ 17,051</u>	<u>\$ 415,740,693</u>	<u>\$ 415,757,744</u>

See accompanying notes to financial statements.

# Financial Statements (Continued)

**Iowa Schools Joint Investment Trust**  
**Diversified Portfolio**  
**Schedule of Investments – June 30, 2015**  
**(Showing Percentage of Total Investments)**

Par Value	Description	Maturity or Reset Date	Amortized Cost
<b>SECURITIES PURCHASED UNDER AGREEMENT TO RESELL -- 18.03%</b>			
747,000	BNP Paribas 0.09%	07/01/15	747,000
15,000,000	Citibank N.A. 0.08%	07/02/15	15,000,000
15,000,000	Merrill Lynch, 0.09%	07/07/15	15,000,000
	TOTAL (amortized cost -- \$30,747,000)		30,747,000
<b>CERTIFICATES OF DEPOSIT -- 0.31%</b>			
245,000	State Bank and Trust, 0.35%	08/08/15	245,000
245,000	People's Bank, 0.50%	04/08/16	245,000
245,000	Citizens Bank, 0.50%	05/06/16	245,000
	TOTAL (amortized cost -- \$735,000)		735,000
<b>COMMERCIAL PAPER -- 10.03%</b>			
5,000,000	Illinois Tool Works Inc	07/06/15	4,999,931
5,000,000	Toronto-Dominion Holdings	07/21/15	4,999,306
5,000,000	General Electric Capital Corp	07/22/15	4,999,300
5,000,000	Coca Cola Co	09/10/15	4,997,042
5,000,000	Novartis Finance Corp	11/02/15	4,995,694
5,000,000	Toyota Motor Credit Corp	01/04/16	4,991,169
7,000,000	JP Morgan Securities LLC	01/08/16	6,983,288
	TOTAL (amortized cost -- \$38,315,729)		36,965,729
<b>U.S. GOVERNMENT OBLIGATIONS -- 71.63%</b>			
2,000,000	Freddie Mac	07/02/15	1,999,993
12,779,000	Federal National Mortgage Association, 0.50%	07/02/15	12,779,128
2,500,000	Federal Home Loan Discount Note	07/08/15	2,499,957
9,100,000	Federal Home Loan Discount Note	07/10/15	9,099,761
700,000	Freddie Mac Discount Note	07/10/15	699,974
5,600,000	Federal Home Loan Discount Note	07/15/15	5,599,804
5,000,000	Freddie Mac 0.1725%	07/16/15	5,000,075
1,000,000	Federal Home Loan Bank, 0.13%	07/17/15	1,000,010
4,500,000	Federal Home Loan Discount Note	07/17/15	4,499,825
8,631,000	Freddie Mac 4.38%	07/17/15	8,646,960
4,000,000	Freddie Mac .1704%	07/17/15	4,000,043
5,000,000	Federal Home Loan Bank, 0.15%	07/21/15	5,000,030
5,000,000	Federal Home Loan Discount Note	07/21/15	4,999,750
1,100,000	Federal Home Loan Bank, 0.17%	07/22/15	1,100,037
3,975,000	Federal Home Loan Discount Note	07/22/15	3,974,803
1,000,000	Federal Home Loan Banks, 0.17%	07/23/15	999,950
4,019,000	Federal Home Loan Discount Note	07/24/15	4,018,665
1,725,000	Federal Farm Credit Bank 0.23%	07/24/15	1,725,112
2,015,000	Fannie Mae Discount Note	07/27/15	2,014,869
2,995,000	Federal National Mortgage Association, 2.38%	07/28/15	2,999,981
2,550,000	Federal Home Loan Discount Note	07/31/15	2,549,738
5,000,000	Freddie Mac 5.35%	08/01/15	5,022,013
1,350,000	HUD-HSNG Urban Development	08/01/15	1,350,000
180,000	Fannie Mae Discount Note	08/03/15	179,984
8,800,000	Federal Home Loan Discount Note	08/05/15	8,799,211
660,000	Fannie Mae Discount Note	08/05/15	659,942
12,000,000	Federal National Mortgage Association, 0.16%	08/05/15	12,000,144
2,100,000	Fannie Mae Discount Note	08/06/15	2,099,811
6,900,000	Federal Home Loan Discount Note	08/07/15	6,899,320
3,500,000	Federal Farm Credit Bank Discount Note	08/10/15	3,499,456
6,900,000	Federal Home Loan Discount Note	08/12/15	6,899,178
6,000,000	Federal Home Loan Discount Note	08/14/15	5,999,047
1,250,000	Federal Farm Credit Banks, 0.23%	08/17/15	1,250,115
3,000,000	Federal Home Loan Bank, 0.20%	08/19/15	3,000,000
6,330,000	Federal Home Loan Discount Note	08/19/15	6,329,184
3,520,000	Federal Home Loan Discount Note	08/21/15	3,519,449
3,500,000	Federal Home Loan Bank, 0.14%	08/25/15	3,499,894
1,170,000	Federal Home Loan Bank, 0.21%	08/26/15	1,169,978
3,140,000	Federal Home Loan Bank, 0.38%	08/28/15	3,141,219
900,000	Federal Home Loan Discount Note	08/28/15	899,855

See accompanying notes to financial statements.

# Financial Statements (Continued)

## Iowa Schools Joint Investment Trust

### Diversified Portfolio

-Continued - Schedule of Investments – June 30, 2015

(Showing Percentage of Total Investments)

Par Value	Description	Maturity or Reset Date	Amortized Cost
<b>U.S. GOVERNMENT OBLIGATIONS -- 71.63%</b>			
685,000	Fannie Mae Discount Note	09/01/15	684,844
5,550,000	Federal Home Loan Discount Note	09/04/15	5,548,924
3,800,000	Federal Home Loan Discount Note	09/09/15	3,799,028
10,635,000	Freddie Mac 1.75%	09/10/15	10,667,672
2,500,000	Federal Home Loan Discount Note	09/17/15	2,499,404
5,000,000	Federal Home Loan Bank, 0.128%	09/21/15	5,000,053
1,750,000	Federal Farm Credit Bank, 0.21%	06/22/15	1,750,382
3,600,000	Federal Home Loan Bank, 0.20%	09/29/15	3,600,592
2,000,000	Federal Farm Credit Bank 0.22%	10/01/15	2,000,383
7,000,000	Federal Home Loan Discount Note	10/02/15	6,998,192
5,700,000	Federal Home Loan Discount Note	10/07/15	5,698,122
5,000,000	Federal Home Loan Bank, 0.12%	10/08/15	4,999,932
4,000,000	Federal Farm Credit Banks, 0.14%	10/08/15	3,999,943
1,750,000	Federal Home Loan Bank, 0.17%	10/09/15	1,750,112
3,000,000	Federal Home Loan Discount Note	10/09/15	2,998,750
2,000,000	Federal Home Loan Discount Note	10/14/15	1,999,300
5,387,000	Federal National Mortgage Association, 4.38%	10/15/15	5,452,737
2,500,000	Federal Home Loan Bank, 0.20%	10/16/15	2,499,685
9,000,000	Federal National Mortgage Association, 0.16%	10/21/15	9,000,710
2,200,000	Federal Farm Credit Bank, 0.24%	10/26/15	2,200,796
1,000,000	Federal Farm Credit Bank, 0.22%	10/26/15	1,000,343
1,255,000	Federal National Mortgage Association, 1.63%	10/26/15	1,260,883
2,500,000	Federal Farm Credit Bank, 0.31%	11/05/15	2,501,185
1,800,000	Federal Farm Credit Bank, 0.19%	11/19/15	1,800,357
1,000,000	Federal Home Loan Bank, 0.20%	11/20/15	1,000,196
3,000,000	Freddie Mac .16%	11/25/15	3,000,500
2,585,000	Federal Home Loan Bank, 0.21%	11/30/15	2,585,502
1,065,000	Federal Home Loan Bank, 1.38%	12/11/15	1,069,999
3,000,000	Federal Home Loan Bank, 0.13%	01/08/16	2,999,921
1,500,000	Federal Home Loan Bank, 0.13%	01/15/16	1,499,959
6,800,000	Federal Farm Credit Bank, 0.20%	01/19/16	6,801,734
3,965,000	Freddie Mac, 4.75%	01/19/16	4,062,561
5,000,000	Federal Home Loan Bank, 0.16%	01/21/16	4,999,854
1,250,000	Federal Farm Credit Bank, 0.43%	01/29/16	1,251,300
2,500,000	Federal Home Loan Bank, 0.34%	03/14/16	2,499,590
1,500,000	Federal Home Loan Bank, 0.33%	04/01/16	1,499,365
3,000,000	Federal Farm Credit Bank, 0.14%	04/07/16	2,999,869
3,000,000	Federal National Mortgage Association, 2.38%	04/11/16	3,048,086
3,000,000	Federal Farm Credit Bank, 0.21%	04/18/16	3,001,599
1,000,000	Federal Farm Credit Bank, 0.26%	04/20/16	1,000,857
4,600,000	Federal Farm Credit Bank, 0.17%	05/05/16	4,601,420
1,209,000	Freddie Mac, 0.50%	05/13/16	1,210,558
2,500,000	Federal Home Loan Bank, 5.38%	05/18/16	2,610,324
4,200,000	Federal Home Loan Bank, 0.19%	05/27/16	4,201,312
5,000,000	US Treasury, 0.50%	06/15/16	5,009,471
3,000,000	US Treasury, 1.50%	06/30/16	3,034,241
1,225,000	Overseas Private Inv. Corp, 0.11%	03/15/17	1,225,000
2,000,000	Overseas Private Inv. Corp, 0.11%	09/20/22	2,000,000
4,000,000	Overseas Private Inv. Corp, 0.11%	07/15/25	4,000,000
2,000,000	Overseas Private Inv. Corp, 0.11%	11/15/28	2,000,000
2,000,000	Overseas Private Inv. Corp, 0.11%	01/15/30	2,000,000
4,927,698	Overseas Private Inv. Corp, 0.11%	06/15/34	4,927,698
	<b>TOTAL (amortized cost -- \$331,279,506)</b>		<b>331,279,506</b>
	<b>TOTAL INVESTMENTS (amortized cost -- \$399,727,235) -- 100%</b>		<b>399,727,235</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

## Note 1 – Summary of Significant Accounting Policies

### Reporting Entity:

Iowa Schools Joint Investment Trust (ISJIT) is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29 of the Iowa Code, as amended, which authorizes Iowa schools to jointly invest moneys pursuant to a joint investment agreement. ISJIT is a Standard & Poor's rated money market fund pursuant to the requirements of Iowa Code Section 12B.10. ISJIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1986, and commenced operations on December 16, 1986. The Joint Powers Agreement and Declaration of Trust was amended on November 1, 1988, and again on May 1, 1993. Under this authority, ISJIT operates various investment programs for its participants, which includes the Diversified Portfolio. The Diversified Plus and DGO Portfolios are authorized investment programs that suspended operations on January 8, 2009 and October 27, 2010, respectively, due to economic factors. The Trustees have retained the right to reactivate these Portfolios in the future. The accompanying financial statements include only the activities of the ISJIT Administration Fund and the Diversified Portfolio.

### Regulatory Oversight:

The operation of ISJIT is governed by a six member Board of Trustees, and non-voting persons as may be appointed by the Board. Trustees are appointed by the Board of Trustees, of which four of the Trustees shall be members of the Board of Directors of Iowa Association of School Boards (IASB), who are directors participating in ISJIT, a superintendent of a school corporation participating in ISJIT, and a school board secretary or business official of a school corporation participating in ISJIT. IASB serves as the Sponsor of ISJIT. ISJIT is not registered with the Securities and Exchange Commission (SEC); however, ISJIT follows investment procedures similar to the investment procedures followed by SEC-registered money market mutual funds.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

ISJIT reports the Administration Fund and Diversified Portfolio's financial position and the results of operations using investment trust funds. Investment trust funds are fiduciary funds that are used to account for the assets held in a trustee capacity. The primary purpose of the funds is to generate financial resources while maintaining a high degree of liquidity and safety of principal through investment in short-term securities as permitted for the participants under the Iowa Code.

# Notes to Financial Statements

## Note 1 – Summary of Significant Accounting Policies, Continued

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued:**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, net assets, revenues, expenditures, and other financing sources and uses. The financial statements are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The financial statements of ISJIT have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

### **Use of Estimates:**

The preparation of financial statements under GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the period. Actual results could differ from those estimates.

### **Authorized Investments:**

ISJIT's policy is to only invest in securities specifically permitted for participants under the Iowa Code, as it now or in the future exists, including the following types of securities and instruments:

Securities issued or guaranteed as to payment of principal and interest by the U.S. Government. These include, for example, Treasury bills, bonds, and notes that are direct obligations of the U.S. Government.

Obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the U.S. Government. Such agencies and instrumentalities include, for example, Federal Intermediate Credit Banks, Federal Home Loan Banks, the Federal National Mortgage Association and the Farmers Home Administration. Such securities will include those supported by the full faith and credit of the United States Treasury or the right of the agency or instrumentality to borrow from the Treasury, as well as those supported only by the credit of the issuing agency or instrumentality.

# Notes to Financial Statements

## Note 1 – Summary of Significant Accounting Policies, Continued

### Authorized Investments, Continued:

Collateralized repurchase agreements secured by U.S. Government or U.S. Government agency obligations. A repurchase agreement involves the sale of such securities to ISJIT with the concurrent agreement of the seller to repurchase them at a specified time and price to yield an agreed upon rate of interest. The securities collateralizing the agreement are held in custody by a third-party custodian, are regularly verified by ISJIT's Custodian, and are maintained daily in an amount equal to at least 102 percent of the agreement.

Certificates of Deposits in federally insured Iowa financial institutions. Each CD that ISJIT places with an Iowa institution on behalf of the participants in ISJIT is insured by the FDIC for the first \$250,000 of value. All amounts in excess of \$250,000 in an Iowa institution are protected by provisions in the Iowa Code. The acceptance of public funds by a financial institution constitutes agreement by the financial institution to pledge collateral as required by Iowa Code Section 12C.22 and agreement by the financial institution to provide accurate information and to otherwise comply with the requirements of Iowa Code Chapter 12C.

Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the Iowa superintendent of banking provided that at the time of purchase, no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. At the time of purchase no more than ten percent of the investment portfolio shall be in these investments and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

ISJIT adheres to Iowa law and Standard and Poor's criteria for money market funds developed to minimize risk that the value of investments in the portfolio might vary. ISJIT's investment policy presently places several restrictions on ISJIT's portfolio investments, including the following:

- The remaining maturity of any individual investment may not exceed more than 397 days from the date of purchase.
- The maximum dollar weighted average maturity of all portfolios' investments may not exceed 60 days.
- Investments are monitored daily by its Investment Adviser and Administrator to assure that the value of each ISJIT investment does not materially deviate in value from its amortized cost.

As a general policy, investments are held until maturity. However, in an effort to increase yields or liquidity, ISJIT may sell securities and realize capital gains or losses when there are perceived disparities between maturities for various categories of investments.

# Notes to Financial Statements

## Note 1 – Summary of Significant Accounting Policies, Continued

### Deposits and Investment:

ISJIT reports as “Cash” all cash on hand and on deposit in banks. All cash deposits are held by banks as required under Chapter 12C of the Code of Iowa. Certificates of Deposit are listed separately on the financial statements.

ISJIT reports investments at amortized cost, consistent with *Governmental Accounting Standards* and Rule 2a-7-like pools. Amortized cost involves valuing a portfolio security at its original date of purchase, and thereafter amortizing any premium or accreting any discount on a straight-line basis to maturity. The amount of premium or discount amortized or accreted to income under the straight-line method does not differ materially from the amount that would be amortized to income under the interest method. Procedures are followed in an effort to maintain a constant net asset value of \$1.00 per unit for each portfolio.

Investments are purchased on a delivery versus payment basis and are accounted for on the settlement date. No other settlement procedure is allowed. Interest income, including the accretion of discount and amortization of premium, is recorded daily on the accrual basis.

### Method used to determine participants’ units sold and redeemed:

Consistent with the methodologies employed by other Rule 2a-7-like pools, the method used to determine the ISJIT participants’ units sold and redeemed is the amortized cost method. The amortized cost distributions are accrued to participants’ accounts daily and reinvested in additional trust units monthly for compounded interest.

Total distributions for the month are credited to participants’ accounts on the last business day of the month. Distributions are automatically reinvested in ISJIT trust units unless cash payment has been requested. Cash payments, if requested, will be made monthly. If a participant redeems the entire account balance during the month, income distributions due to the account are posted on the last business day of the month, with final distribution to the participant on the next business day.

### Frequency of determining value of shares:

The net asset value of each portfolio trust unit is determined once each day, as of the close of the New York Stock Exchange. Except for federal holidays, such other holidays that are officially observed by commercial banks in Iowa, and days on which no investments in or redemption of trust units occur, the Administrator will compute the portfolio net asset value on each day the New York Stock Exchange is open for trading or when there is a sufficient volume of trading which might materially affect the net asset value of the securities held by the portfolios. The net asset value of each portfolio trust unit is computed by adding the value of all securities and other assets (including income receivable), subtracting liabilities (including accrued expenses) attributable to each portfolio and dividing by the number of trust units of each portfolio outstanding.

# Notes to Financial Statements

## **Note 1 – Summary of Significant Accounting Policies, Continued**

### **Frequency of determining value of shares (continued):**

The Administrator computes the net asset value of portfolio trust units by using the amortized cost method for valuing securities. Under the amortized cost method a security is initially valued at cost on the date of purchase and, thereafter, any discount or premium is amortized on a straight-line basis to maturity, regardless of fluctuating interest rates or the market value of the security. However, the Investment Adviser has established procedures to stabilize the net asset value of trust units at \$1.00 per trust unit. These procedures include a review by the Investment Adviser as to the extent of the deviation of net asset value based upon available market quotations from the portfolio's \$1.00 amortized cost per value unit. If such deviation exceeds .5 percent, the Investment Adviser will consider what action, if any, should be initiated to reasonably eliminate or reduce material dilution or other results to participants.

### **Legally binding guarantees:**

The Board of Trustees has not provided or obtained any legally binding guarantees during the fiscal years ended June 30, 2015 and 2014.

### **Involuntary participation:**

There is no requirement under Iowa law for any local government to involuntarily participate in ISJIT.

### **Income Taxes:**

ISJIT is exempt from both state and federal income taxes pursuant to Section 115 of the Internal Revenue Code.

# Notes to Financial Statements

## Note 2 – Fees and Expenses

ISJIT has entered into contracts for the following services: Administrator, Investment Adviser, Marketing, Sponsorship, and Custodian. In addition, ISJIT pays operating expenses through a separate Administration Fund. During the fiscal years ended June 30, 2015 and 2014, Bankers Trust Company (Bankers Trust) served as the Administrator and Custodian. RBC Global Asset Management (US) Inc. (RBC GAM) served as the Investment Adviser. PMA Securities, Inc. (PMA) served as the Marketing Services Provider. IASB served as the Sponsor. Under separate agreements, Bankers Trust, RBC GAM, PMA and IASB are paid fees based upon a percentage of ISJIT's average daily net assets. All fees are computed on a daily basis and paid monthly to the service providers. The following tables display the fees waived by the service providers for the years ended June 30, 2015 and 2014:

### 2015 Waived Fees:

<u>Portfolio</u>	<u>Administrator</u>	<u>Investment Advisor</u>	<u>Marketing</u>	<u>Custodian</u>	<u>Administrati on Fund</u>	<u>Sponsor</u>	<u>TOTAL</u>
Diversified Portfolio	\$ 192,224	\$ 177,437	\$ 207,010	\$ 59,146	-	\$ 236,583	\$ 872,400

### 2014 Waived Fees:

<u>Portfolio</u>	<u>Administrator</u>	<u>Investment Advisor</u>	<u>Marketing</u>	<u>Custodian</u>	<u>Administration Fund</u>	<u>Sponsor</u>	<u>Total</u>
Diversified Portfolio	\$ 200,915	\$ 185,460	\$ 216,370	\$ 61,820	\$ 73,784	\$ 246,580	\$ 984,929

### Administration Fund

The Administration Fund pays the operating expenses incurred directly by ISJIT and its Trustees in connection with the discharge of their duties. These expenses include legal fees, rating fees, auditing fees, out-of-pocket expenses of the Trustees, and the cost of printing, mailing and other services performed independently by ISJIT. The maximum Administration Fund expense fee for each portfolio is .10 percent of average daily net assets. The ISJIT Administration Fund fee is calculated daily on each portfolio and transferred to the ISJIT Administration Fund the following month.

For the year ended June 30, 2015, the Diversified Portfolio allocated \$142,386 to the ISJIT Administration Fund for operating expenses. For the year ended June 30, 2014, the Diversified Portfolio allocated \$63,696 to the ISJIT Administration Fund for operating expenses. The amount due to the Administration Fund at June 30, 2015 was \$13,447 from the Diversified Portfolio. The amount due to the Administration Fund at June 30, 2014 was \$13,862 from the Diversified Portfolio.

# Notes to Financial Statements

## Note 2 – Fees and Expenses (continued)

### Administrator

For administrative services to the Diversified Portfolio, Bankers Trust's contract with ISJIT provides for the payment to Bankers Trust of a fee equal to 0.065 percent of the average daily net asset value of the portfolios. This contractual fee is gross of any fees that Bankers Trust may voluntarily agree to waive. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$66,653 for services provided by Bankers Trust. For the year ended June 30, 2014, the Diversified Portfolio incurred actual expenses of \$87,935 for services provided by Bankers Trust. The amount due to Bankers Trust on June 30, 2015 and 2014 was \$8,474 and \$6,184, respectively, for the Diversified Portfolio.

Subsequent to the year end, the Administrator for ISJIT has changed to PMA Financial Network, Inc.

### Investment Adviser

Under its investment advisory agreement with ISJIT, RBC Global Asset Management (US) Inc. (RBC GAM) receives a fee equal to 0.060 percent of the average daily net asset value for each Portfolio for investment adviser services. This contractual fee is gross of any fees that RBC GAM may voluntarily agree to waive. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$72,208 for services provided by RBC GAM. For the year ended June 30, 2014, the Diversified Portfolio incurred actual expenses of \$81,171 for services provided by RBC GAM. The amount due to RBC GAM at June 30, 2015 and 2014 was \$7,822 and \$5,709, respectively, for the Diversified Portfolio.

### Custodian

Under its agreement for custodial services, Bankers Trust receives a fee equal to 0.020 percent of the average daily net asset value for each Portfolio for custodial services. This contractual fee is gross of any fees that Bankers Trust may voluntarily agree to waive. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$22,218 for services provided by Bankers Trust. For the year ended June 30, 2014, the Diversified Portfolio incurred actual expenses of \$27,057 for services provided by Bankers Trust. The amount due to Bankers Trust at June 30, 2015 and 2014 was \$2,607 and \$1,903, respectively, for the Diversified Portfolio.

# Notes to Financial Statements

## Note 2 – Fees and Expenses (continued)

### Marketing

Under its marketing services agreement with ISJIT, PMA receives a fee equal to 0.070 percent of the average daily net asset value of the Portfolio. This contractual fee is gross of any fees that PMA may voluntarily agree to waive. For the years ended June 30, 2015 and 2014, the Diversified Portfolio incurred actual expenses of \$77,762 and \$94,700, respectively, for services provided by PMA for marketing. The amount due to PMA at June 30, 2015 and 2014 was \$9,125 and \$6,660, respectively for the Diversified Portfolio.

### Sponsorship

Under its sponsorship agreement with ISJIT, IASB receives an annual fee equal to 0.080 percent of the average daily net asset value of the Portfolios. This contractual fee is gross of any fees that IASB may voluntarily agree to waive. For the year ended June 30, 2015, the Diversified Portfolio incurred actual expenses of \$88,871 to IASB. For the year ended June 30, 2014, the Diversified Portfolio incurred actual expenses of \$108,228 to IASB. The amount due to IASB at June 30, 2015 and 2014 was \$10,429 and \$7,611, respectively, for the Diversified Portfolio. Historically, IASB has paid operating costs on behalf of ISJIT and submitted requests for payment. The total amount due to IASB for June 30, 2015 and 2014 was \$0 and \$13,830, respectively.

# Notes to Financial Statements

## Note 3 – Deposit and Investment Risk Disclosures

Under Governmental Accounting Standards Statement No. 40, Deposit and Investment Risk Disclosures (GASB 40), the deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. This Statement addresses common deposit and investment risks related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that the instruments in which ISJIT invests will decline in value because of changes in interest rates. As a means of limiting its exposure to losses arising from rising interest rates, ISJIT's investment policy limits the purchase of investments to a maturity date of no more than 397 days from the purchase date. The maximum dollar weighted average maturity for each Portfolio is 60 days or less. Any commercial paper and other short-term corporate debt purchased for the Diversified Plus Portfolio is further limited to a maturity of no more than 270 days from the purchase date.

*Credit Risk.* Credit risk is the risk that the issuer of a particular security will default. ISJIT is only authorized to invest in instruments authorized by Iowa law which governs the investment of funds by Iowa governmental entities. The investments in the Federal agencies (Federal Home Loan Mortgage Co., Federal National Mortgage Assn., and Federal Home Loan Bank) are all rated AA+ by Standard and Poor's. The Repurchase Agreements are all collateralized by Federal agency notes which are rated AA+ by Standard and Poor's. The investment in Certificates of Deposits in Iowa financial institutions is insured by the FDIC for the first \$250,000 and amounts in excess of that are protected by collateralization provisions in the Iowa Code.

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, ISJIT will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In connection with transactions in repurchase agreements, a third-party custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller defaults and the value of the collateral declines, realization of the collateral by ISJIT may be delayed or limited.

At June 30, 2015, and June 30, 2014 the securities purchased under overnight agreements to resell were collateralized by government and government agency securities with market values of \$31,137,333 and \$4,080 respectively for the Diversified Portfolio.

# Notes to Financial Statements

## Note 3 – Deposit and Investment Risk Disclosures (continued)

**Concentration of Credit Risk.** ISJIT complies with the following Standard & Poor's limits with respect to the concentration of portfolio investments: 1) 25% maximum concentration per counterparty if less than or equal to 7 days to maturity and a 10% limit beyond 7 days to maturity for repurchase agreements for all Portfolios; and 2) 10% in total and a maximum of 5% of any single issuer for commercial paper and other short-term corporate debt for the Diversified Portfolio. The following charts detail the concentration of investments held by each Portfolio:

### Diversified as of June 30, 2015

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	\$ 162,358,523	\$ 162,365,775	79	AA+	40.62%
Federal Home Loan Mortgage Co.	49,808,605	49,810,922	68	AA+	12.46%
BNP Paribas, Repurchase Agreement	747,000	747,000	4	AA+	0.19%
Citibank Repurchase Agreement	15,000,000	15,000,000	7	AA+	3.75%
Merrill Lynch Repurchase Agreement	15,000,000	15,000,000	2	AA+	3.75%
Overseas Private Inv. Corp	16,152,698	16,152,698	76	AA+	4.04%
Federal Farm Credit Bank	41,384,852	41,385,725	170	AA+	10.35%
Federal National Mortgage Assn.	52,181,118	52,181,152	65	AA+	13.05%
Iowa Bank CD's	735,000	735,000	211	N/A	0.18%
Commercial Paper	36,965,729	36,971,535	92	AA+	9.25%
Housing & Urban Development	1,350,000	1,350,000	1	AA+	0.34%
US Treasury Notes	<u>8,043,712</u>	<u>8,044,080</u>	357	AA+	<u>2.01%</u>
TOTAL	\$ 399,727,235	\$ 399,743,888			100%

### Diversified as of June 30, 2014

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	\$ 143,679,602	\$ 143,678,422	74	AA+	34.76%
Federal Home Loan Mortgage Co.	95,630,458	95,629,929	27	AA+	23.13%
BNP Paribas, Repurchase Agreement	4,000	4,000	1	AA+	0.00%
Overseas Private Inv. Corp	4,000,000	3,997,500	276	AA+	0.97%
Federal Farm Credit Bank	31,522,357	31,522,346	103	AA+	7.63%
Federal National Mortgage Assn.	58,535,490	58,533,580	61	AA+	14.16%
Federal Home Loan Discount Notes	29,495,541	29,498,070	45	AA+	7.14%
Iowa Bank CD's	980,000	980,000	235	N/A	0.24%
Commercial Paper	39,984,167	39,990,488	38	AA+	9.67%
US Treasury Notes	<u>9,519,983</u>	<u>9,521,895</u>	97	AA+	<u>2.30%</u>
TOTAL	\$ 413,351,598	\$ 413,356,230			100%

## Note 4 – Date of Management's Review

Subsequent events were evaluated through September 17, 2015, the date the financial statements were available to be issued.